

**Ohio Police & Fire Pension Fund
MINUTES**

**Board of Trustees
140 East Town Street, Columbus, Ohio
November 14, 2018**

Call to Order: The meeting was called to order at 1:19 p.m. Chairman Patton asked for a moment of silence for our members who have passed in the last month.

In attendance:

Trustees Present:

Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton

Trustees Absent:

Charles Moore

AGENDA ITEM 1:

Excuse Mr. Charles Moore

Mr. Jeff Moore moved, and Mr. Heller seconded a motion, to excuse Mr. Charles Moore from the November 2018 board meeting. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton
Nays: None

AGENDA ITEM 2:

Approval of the October 2018 Board Minutes

Mr. Wainscott moved, and Mr. Deighton seconded, a motion that the Board of Trustees approves the October 2018 Board minutes. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton
Nays: None

AGENDA ITEM 3:

Executive Director's Report

Talking Points for the Executive Director 11/14/2018

PORTFOLIO UPDATE

- As of 11/13: \$15.1 billion
- End of October value: \$15.2 billion
- End of September value: \$15.9 billion

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HEALTH CARE

- Appreciate the number of members in attendance and we welcome you to any of our Board meetings
- We will listen to your comments in a few minutes and try to further address them
- The information and answers we have heard today will be made available on our website very soon

HOST MEETING

- The regularly scheduled HOST meeting will take place shortly after the conclusion of this meeting in the first floor meeting room

AGENDA ITEM 4: INVESTMENT COMMITTEE/BOARD TALKING POINTS:

Mr. Heller read the Investment Committee/Board talking points:

Items discussed or reviewed:

- Mr. Hall commented on the October month-end portfolio value, significant cash movements and year-to-date investment performance.
- Wilshire Associates presented the Investment Performance Report for periods ended September 30, 2018 as well as the Private Equity & Private Credit Program Analysis for periods ended June 30, 2018.
- Wilshire Associates made presentations on The Case for International Equity and the Franklin Templeton International Small Cap Review.
- Bridgewater Associates presented their China Outlook.

Motions Approved:

- The Board approved Staff's investment manager rating recommendations for State Street Global Advisors, Western Asset Management and Pacific Investment Management Company.
- The Board approved the Real Estate Investment Policy as recommended by Townsend.
- The Board approved the Real Assets Investment Policy as recommended by Townsend.

AGENDA ITEM 5– DISABILITY COMMITTEE MOTIONS:

Initial Determination Hearings

Mr. Montgomery moved and Mr. Jeff Moore seconded a motion that the Board approves the Committee recommendations for the initial determination of disability for the nine (9) members as identified in the initial determination hearings list presented to the Board on November 14, 2018. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Patton, Wainscott and Jeff Moore

Nays: None

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Reconsideration Hearings

Mr. Montgomery moved and Mr. Deighton seconded a motion that the Board makes a determination for those members requesting reconsideration. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton
Nays: None

Appeal Hearings

Mr. Montgomery moved and Mr. Desmond seconded a motion that the Board approves the recommendations for the appeal hearings for the three (3) members as identified in the appeals list presented to the Board on November 14, 2018. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton
Nays: Desmond #2

Death Benefit Fund Hearings

Mr. Montgomery moved and Mr. Wainscott seconded a motion, that the Board makes a determination for those requesting death fund benefits. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton
Nays: None

Reporting Waivers

Mr. Montgomery moved and Mr. Jeff Moore seconded a motion that the Board waives the mandatory medical evaluation and filing of annual earnings statements for future years for the members identified in the disability reporting waivers list presented to the Board on November 14, 2018. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton
Nays: None

AGENDA ITEM 6– HEALTH CARE COMMITTEE/BOARD TALKING POINTS:

Mr. Deighton read the Health Care Committee/Board talking points:

Items discussed or reviewed:

- Representatives from Aon and eHealth provided an update on the Jan. 1, 2019 Health Care Transition and answered questions from trustees concerning the enrollment process and plan choices for both the Medicare and pre-Medicare retiree populations.
- The Board reviewed the 3rd quarter 2018 Health Care Stabilization Fund balances and Mr. Gallagher explained a history of the fund how it may be used.

Motions Approved:

- The Board approved the Medicare Part B Reimbursement Rate as presented.

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AGENDA ITEM 7– FINANCE COMMITTEE MOTION:

Mr. Montgomery read the Finance Committee motion:

2019 Budget – 2018 11 001 FC

Mr. Montgomery moved and Ms. Maloney Stifler seconded a motion that Board of Trustees approve the 2019 Annual Budget in the form submitted to the Board of Trustees on November 13, 2018. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton

Nays: None

AGENDA ITEM 8 – GAPC TALKING POINTS AND MOTION

Mr. Desmond read the GAPC talking points and motion:

Items discussed or reviewed:

- 2018 General Election Results
- Statehouse Leadership
- Status of current Legislation

Motions Approved:

- The committee approved the October 24, 2018 Minutes

AGENDA ITEM 9:

Trustee Election Materials – 2018 11 001 BOT

Mr. Desmond moved and Mr. Deighton seconded, that the Board approves the Notices of Election, the Nominating Petitions, and Certificates of Eligibility for the upcoming elections of the police employee, firefighter employee, and firefighter retiree members of OP&F’s Board of Trustees, which are in the form attached to staff’s memorandum dated November 14, 2018. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, Jeff Moore, Wainscott and Patton

Nays: None

AGENDA ITEM 10:

Other Business

Mr. Deighton introduced Dennis Corrigan, Cleveland fire department.

AGENDA ITEM 11:

The audience addressed the Board members with the following questions regarding OP&F’s healthcare transitions through Aon and EHealth:

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1. Mr. Jason Pappas, Columbus police, asked the following questions:
 - Why January's premium was withdraw from his father's bank account in November?
 - He also asked how to submit Medical reimbursements?

Mr. Mat Burley, Aon Client Manager/Implementation Lead explained the Medicare reimbursement process. It was also stated that once you enroll in a plan, you'll pay your premiums directly to the insurance company. Your coverage won't start until you pay your first premium. Each Insurance company will handle payments differently, so it is important to follow the instructions from your insurer about how and when to make your premium payment. However, all carriers do require that you pay your premium first for your coverage to start.

2. Ms. Carlene Maynes, retired Dayton police, asked the following questions:
 - How was Aon picked for this health care transition?
 - If there are firms that provided healthcare transition services for both Medicare and pre-Medicare?
 - Why they couldn't purchase a plan on their own with a stipend?
 - Did OP&F considered asking the members to contribute more to keep the current UHC plan?

Executive Director Gallagher explained that OP&F conducted a request for proposal (RFP) and after interviewing the finalists from that process Aon was selected for our transitions. He also stated that unfortunately, there are not any firms that provide healthcare transition services for both Medicare and pre-Medicare. In regards to why the stipend can only be used for provider through Aon is that it would be taxable and the Board decided that this would be the best option.

3. Mr. Craig Keating, retired Toledo police informed the board that his employer never deducted Social Security or Medicare part A from his pay. He also asked if he will have to purchase dental and vision through Aon?

Executive Directory Gallagher stated that OP&F will keep members in this group through June 30th of 2019. After then members must pay their Medicare Part A. Dental and vision can be purchase anywhere without effecting your stipend.

Ms. Harville, Director of Member Services, added that once you become 65 years old you will have to make monthly Medical Part A payments.

4. Mr. Gary Monto, PFRO, asked what if there is a reimbursement dispute, who to call?
Chairman Patton stated to call Aon, then OP&F. The IRS Rule 502 lists qualifying expenses eligible for reimbursement.
5. Ms. Dana Drumm, wife of Charles Drumm, retired Columbus fire, wanted to know if OP&F had an arrangement with the insurance companies guiding people toward certain plans. She shared that the Department of Insurance is a good resource for questions or concerns.
Executive Director Gallagher stated that there are no arrangement or relationship with any of the insurance carries.

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Trustee Montgomery added that he is extremely disappointed with how Aon has handled this transition. No one on this Board is paid to serve in this position. The board is not exempt from what you are going through. The Board of Trustees did not receive no kickbacks or compensation from selecting Aon members. All Board members shares the same frustrations with how Aon have conducted the transition.

6. Mr. Bernie Rothe, retired Columbus fire, asked about the price differential between UHC and Aon choices. Mr. Mat Burley asked the member to see him after the meeting.
7. Mr. Gary Church, retired Columbus fire, had questions about pre-existing conditions being denied for a member. Mr. Mat Burley also asked that member to see him after the meeting.
8. Ms. Donna Gillespie state that she had not received her Aon package yet and she needs information regarding pre-existing conditions. Mr. Mat Burley asked her to please see him after the meeting.
9. Mr. Arnold Murdock, retired Columbus fire, said he may or may not go with Aon due the lack of providers for the pre-Medicare in the state that he lives in the most of the year. Mr. Murdock asked about the taxability on stipend. Executive Director Gallagher explained the reason why the stipend is non-taxable in a HSA.
10. Mr. Paul Young, retired Columbus fire, wanted to know why pre-Medicare had so few physician options. Executive Director Gallagher stated that, unfortunately, OP&F has no control over the number of participating providers in each area.
11. Mr. John Lassiter, retired Akron fire, stated that those members who attended meetings and read the monthly mailings would have known the process of choosing Aon. It isn't the fault of the trustees. He was also disappointed with Aon and how they dropped the ball on this. Hopefully the back log will clear up.

Chairman Patton, thanked the members for attending and stick around so Aon, EHealth representatives and staff to address your issues.

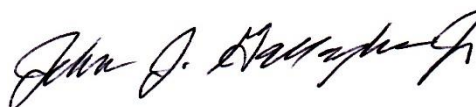
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AGENDA ITEM 11:

Adjournment

Chair Patton announced that the retirees have a meeting immediately following today's Board meeting adjournment. The next board meeting will be held on **Wednesday, December 19, 2018 around 1:00 pm**. The meeting adjourned at 2:10 pm.



John J. Gallagher Jr.
Executive Director

Board materials provided:

1. Disability Committee Materials.
2. Finance Committee Materials.
3. Investment Committee/Board Materials.
4. Governmental Affairs & Policy Committee Materials.
5. Health Care Committee/Board Materials.
6. General Counsel: Trustee Election Materials.
7. FYI Section: Pending and Pre-Approved Trustee Travel and 3rd Quarter 2018 Travel Expense Reports.
8. Chart of Motion Practice: FYI.
9. Administration Appendix Materials.
10. Investment Appendix Materials.
11. Member Service Appendix Materials.
12. Executive Director Report Dated 11/14/2018.
13. Disability Motions: Initial Determination Hearings; Reconsideration Hearing; Appeal Hearings; Death Benefit Fund Hearings and Reporting Waivers.
14. Finance Motion: 2019 Budget.
15. Governmental Affairs & Policy Motion: Trustee Election Materials.

Handouts: November 2018 Talking Points: Disability Committee, Finance Committee, Investment Committee/Board, Governmental Affairs & Policy Committee and Health Care Committee/Board Talking Points. Investment Monthly Portfolio Valuation Update for 10/31/18.